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SUBJECT: MOROCCO'S "ADVANCED STATUS:" A ROADMAP TO AN

UNCLEAR DESTINATION

Classified By: Economic Counselor Stuart Smith. Reasons 1.4 (b) and (d).

- $\P1.$  (C) Summary: The European Union's attribution of "advanced status" to Morocco reflects the close relationship between the Cherifien Kingdom and its European partners, but is likely to change little in the short run in relations between the two parties. European diplomats are careful to stress that the document itself is a "roadmap" which will be given "body" in future exchanges between the two sides.
  Ultimately, in addition to "reinforced political cooperation," the two speak of negotiations aimed at concluding an expanded free trade agreement which will provide Morocco with a status akin to that of countries in the European Free Trade Area. Given the difficulties that have beset previous attempts to widen the existing trade agreement to services and particularly agriculture, however, the task will not be an easy one. Indeed, some diplomats in bilateral Embassies here characterize the agreement as a facesaving one, aimed at finding an uneasy middle ground between Morocco's desire to move agressively to secure tangible advancement in its relations with Europe, and the EU's reluctance to take such concrete steps. At the very least, however, the new nomenclature distinguishes Morocco from its neighbors in the region, and offers  ${\tt Moroccan}$ diplomats an opportunity to push the envelope further. Summary.
- 12. (SBU) Though European and Moroccan officials continue to hail the new designation as a signal achievement for Morocco, its true import remains opaque. Most recently, in presentations to the Casablanca business community, EU Ambassador Bruno Dethomas characterized the move as "recognition by the European Union of the bulk of political and economic reforms" undertaken by Morocco. As other EU diplomats have done in meetings with us, he characterized the status as a "roadmap" towards a destination, rather than arrival at the destination itself. What that destination will ultimately look like will be determined through future exchanges between the two sides. Officials at the Foreign Ministry here point particularly to plans for regular summits between Moroccan and European leaders, and to Morocco enhanced access to European bodies. EU diplomats stress to us that these meetings will not necessarily occur on a regular schedule, but will instead be determined on an "ad hoc" basis. They concede, however, that they will give Morocco additional opportunities to influence European policy, even if Morocco is not (as some in the press have enthusiastically speculated) able to be in the room when policy on Western Sahara is debated.
- 13. (SBU) The most detailed outline of the potential offered Morocco by its newfound status is contained in the "Joint EU-Morocco Document on the Reinforcement of Bilateral Relations/Advanced Status," which EU DCM Jerome Cassiers shared with us in a recent meeting. In it, the bilateral

working group the two parties created last summer agreed that advanced status should translate primarily into a strengthening of political cooperation that reflects each party's strategic priorities, as well as Morocco's progressive integration into the EU's internal market. This market access would occur notably through appropriate financial assistance and harmonization of Moroccan legislation with EU standards. EU officials have been careful to stress, however, that assistance levels are set through 2010, and it is only in outlying years that the status may translate into additional resources. Still to be determined are both the nature of the body which will take over from the working group in pursuing the plan of action the document establishes and the "contractural link" that will replace the association agreement.

14. (SBU) The joint document provides a laundry list of actions that the two parties anticipate will occur as a result of Morocco's "advanced status." Among the most notable:

Political: a regular Morocco EU summit, as well as ad hoc meetings between foreign ministers and sectoral ministers, ad hoc participation by Moroccan officials in EU committee and group meetings in Brussels, and coordination in multilateral bodies. Creation of a mixed parliamentary commission, reinforcement of party exchanges, and Moroccan observer status in the Parliamentary Assembly of the Council of Europe.

Security and Judiciary: Joint development of border security measures, and reinforcement of cooperation in this area, "once negotiations on a readmission agreement are concluded."

RABAT 00001122 002 OF 003

Establishment of a new legislative and institutional framework for refugee status in Morocco, operational cooperation in reinserting prisoners into society, gradual adhesion of Morocco to Council of Europe conventions.

Human Rights: Reinforced dialogue and cooperation in combating racism and xenophobia, gradual Moroccan adhesion to Council of Europe conventions, cooperation on measures aimed at enhancing the rights of women, the handicapped, and children.

Economic: Establishment of a long-term goal of integrating Morocco into the common European economic space through legislative harmonization, conclusion of a "global and strengthened free trade agreement," economic and social cooperation, Moroccan membership in trans-European networks and sectoral cooperation.

Human: Reinforcement of cultural, educational and scientific exchanges, and the inclusion of new actors in "avenues of dialogue" between the two societies.

- 15. (SBU) The joint document spells out at length plans to cooperate or coordinate actions in a range of economic areas, including transport, energy, telecoms, agriculture, fisheries, mining, and the environment. Much is left open-ended, and in his presentation in early December to the Moroccan patronat, Dethomas was at pains to emphasize that its engagement would be critical. Explaining the "roadmap concept," he stressed that it essentially is a laundry list of possibilities, whose realization will depend on the "ambition and engagement of public and private actors." To that end he encouraged Morocco's leading business confederation to "identify and prioritize its interests, bring concrete proposals, and draw attention to potential obstacles" to their realization. In this phase before future institutions are determined, he underlined the important role that the existing sub-commitees under the Association agreement will play.
- 16. (SBU) Dethomas noted that the two key preconditions to achievement of this common economic space are conclusion of

bilateral agreements in the areas of agriculture and services (unlike the U.S. FTA, the European agreement covers only trade in goods. On December 1, the Moroccan government launched its second round of national consultations aimed at finalizing Morocco's offer on services. Khalid Sayah, who heads the working group that is coordinating the effort, indicates that the two sides will exchange offers before the end of the year, and should resume negotiations next January. Agreement could be reached, he suggests, by the end of 2009. Dates remain to be set for agricultural negotiations, which have not progressed rapidly in the past.

- ¶7. (C) Comment: As described to us by European officials, "advanced status" is very much a framework whose precise contours remain to be determined. It represents an extension and deepening of bilateral exchanges, but effects will be felt only gradually, given pre-existing Moroccan-European cooperation under the Association Agreement. Institutional engagement is what the EU is all about, however, and the arrangement may make a difference over the long time horizon that encompasses Morocco's reform process. For example, the parliamentary exchange could provide a badly needed mechanism to upgrade that currently disfunctional institution. Clearly more important is the political message that the new status sends.
- 18. (C) Comment Continued: By highlighting Morocco's "special" relationship, particularly with regular summits, Europe's decision demarcates Morocco from the rest of the Maghreb, and highlights its leading role in the process by which Europe has defined its relationship with its southern neighbors. Already, Moroccans tell us some other North African countries have reacted negatively to the designation. Morocco will have to take some hard decisions in sensitive economic and political areas. For now, it clearly has enjoyed a "feel good" moment in its relations with Europe. Most important, as its European vocation is critical for both future growth and current stability in Morocco, it is a development worth welcoming. One possible way the Europeans might balance sensitivities in the region could be quiet institutional engagement with or support for the Arab Maghreb Union. End Comment.

RABAT 00001122 003 OF 003

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